refer to 31 D, item 12(a)

STATE OF NEBRASKA

DEPARTMENT OF SOCIAL SERVICES

HCFA MEDICAID REGION VII

90 NOV -6 AM 10:07

KAY A. ORR
GOVERNOR

KERMIT R. McMURRY
DIRECTOR

October 25, 1990

Mr. Richard P. Brummel
Associate Regional Administrator for Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, MO 64106

RE: Findings and Assurances

Dear Mr. Brummel:

As required by the Federal Regulations that establish procedures for determining upper limits on payments for drugs, the Nebraska Department of Social Services is hereby providing its annual notification and assurance that its drug program continues to comply with these regulations. The Department has not exceeded in the aggregate, the upper limit payment levels for the multiple source drug products identified and listed in accordance with 6305.1.A and that payment levels for all "other drugs" are in the aggregate, in accordance with the respective requirements noted in 6305.1.B.

As required by 42 CFR 447.333(b), the Department has made separate and distinct findings for both multiple source drug products listed in 6305.1.A and for all "other drugs." The Department currently is operating under an approved state plan dated October 29, 1987, that outlines the methods and standards used to establish payment rates for all prescribed drug products. The state plan was approved based upon the Department's initial letter of assurance dated October 27, 1987. A subsequent letter of assurance was provided on January 4, 1989.

As required by 42 CFR 447.333(c), the Department will furnish on request all data, computations and pertinent records necessary to support these findings and assurances.

Sincerely,

Deb Thomas

Deb Thomas, Director
Nebraska Department of Social Services

DS:KK0297M

P. O. BOX 95026, LINCOLN, NEBRASKA 68509-5026, PHONE (402) 471-3121

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PRESCRIBED DRUGS (Continued)

Cost Limitations: The Nebraska Medicaid Drug Program is required to reimburse product cost at the lowest of -

1. Product cost (FUL, SMAC, or EAC) plus the appropriate dispensing fee(s);
2. The pharmacy's usual and customary charge to the general public; or
3. Payment levels for all drugs will not exceed, in the aggregrate, upper levels of reimbursement established by federal code or regulation.

The FUL or SMAC limitations will not apply in any case where the prescribing physician certifies that a specific brand is medically necessary. In these cases, the EAC will be the maximum allowable cost.

Dispensing Fees

Retail Pharmacies:

1. "Assigned" Dispensing Fee: A dispensing fee is assigned by the Nebraska Department of Social Services to each individual retail pharmacy and hospital pharmacy. The fee is calculated from the information obtained through the Department's prescription survey. The Department notifies each pharmacy of its dispensing fee. If a pharmacy accepts a lesser fee from any other third party program, the Department may adjust its assigned dispensing fee to reflect this variance in total charge.
2. Dispensing Physicians: The Department assigns a dispensing fee to a dispensing physician only when there is no pharmacy within a 25-mile radius of the physician's place of practice.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

DENTURES

For dates of service on or after August 1, 1989, NMAP pays for dentures at the lower of -

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as -
   a. The unit value multiplied by the conversion factor;
   b. The invoice cost (indicated as "IC" in the fee schedule);
   c. The maximum allowable dollar amount; or
   d. The reasonable charge for the procedure as determined by the Medical Services Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).

The Nebraska Medicaid Practitioner Fee Schedule is effective July 1 through June 30 of each year.

Revisions of the Fee Schedule: The Department reserves the right to adjust the fee schedule to -

1. Comply with changes in state or federal requirements;
2. Comply with changes in nationally-recognized coding systems, such as HCPCS and CPT;
3. Establish an initial allowable amount for a new procedure based on information that was not available when the fee schedule was established for the current year; and
4. Adjust the allowable amount when the Medical Services Division determines that the current allowable amount is -
   a. Not appropriate for the service provided; or
   b. Based on errors in data or calculation.

The Department may issue revisions of the Nebraska Medicaid Practitioner Fee Schedule during the year that it is effective. Providers will be notified of the revisions and their effective dates.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

PROSTHETIC DEVICES

NMAP pays for covered durable medical equipment, medical supplies, orthotics and prosthetics, at the lower of -

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as -
   a. The unit value multiplied by the conversion factor;
   b. The invoice cost (indicated as "IC" in the fee schedule);
   c. The maximum allowable dollar amount; or
   d. The reasonable charge for the procedure as determined by the Medical Services Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).

Revisions of the Fee Schedule: The Department may adjust the fee schedule to -

1. Comply with changes in state or federal requirements;
2. Comply with changes in nationally-recognized coding systems, such as HCPCS and CPT;
3. Establish an initial allowable amount for a new procedure or a procedure that was previously identified as "RNE" or "BR" based on information that was not available when the fee schedule was established for the current year; and
4. Adjust the allowable amount when the Medical Services Division determines that the current allowable amount is -
   a. Not appropriate for the service provided; or
   b. Based on errors in data or calculation.

Providers will be notified of changes and their effective dates.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

EYEGLASSES

NMAP pays for covered eyeglasses at the lower of -

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as -
   a. The unit value multiplied by the conversion factor;
   b. The invoice cost (indicated as "IC" in the fee schedule) - the provider's actual cost (including discounts) from the provider's supplier. The maximum invoice cost payable is limited to reasonable available cost;
   c. The maximum allowable dollar amount; or
   d. For clinical laboratory services including collection of laboratory specimens by venipuncture or catheterization, the amount allowed for each procedure code in the national fee schedule for clinical laboratory services as established by Medicare; or
   e. The reasonable charge for the procedure as determined by the Medical Services Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).

Revisions of the Fee Schedule: The Department may adjust the fee schedule to -

1. Comply with changes in state or federal requirements;
2. Comply with changes in nationally-recognized coding systems, such as HCPCS and CPT;
3. Establish an initial allowable amount for a new procedure or a procedure that was previously identified as "RNE" or "BR" based on information that was not available when the fee schedule was established for the current year; and
4. Adjust the allowable amount when the Medical Services Division determines that the current allowable amount is -
   a. Not appropriate for the service provided; or
   b. Based on errors in data or calculation.

Providers will be notified of changes and their effective dates.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

OTHER DIAGNOSTIC, SCREENING, PREVENTIVE, OR REHABILITATIVE SERVICES

Not provided

State Plan
Trans. No. MS-80-16

Submitted 12-29-80
Approved 8-18-81
Effective 11-01-80

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

SCREENING SERVICES

NMAP pay for covered screening services at the lower of -

1. The provider's submitted charge; or
2. The allowable amount for that procedure code in the Nebraska Medicaid Practitioner Fee Schedule in effect for that date of service. The allowable amount is indicated in the fee schedule as -
   a. The unit value multiplied by the conversion factor;
   b. The invoice cost (indicated as "IC" in the fee schedule);
   c. The maximum allowable dollar amount; or
   d. The reasonable charge for the procedure as determined by the Medical Services Division (indicated as "BR" - by report or "RNE" - rate not established - in the fee schedule).

The Nebraska Medicaid Practitioner Fee Schedule is effective July 1 through June 30 of each year.

Revisions of the Fee Schedule: The Department reserves the right to adjust the fee schedule to -

1. Comply with changes in state or federal requirements;
2. Comply with changes in nationally-recognized coding systems, such as HCPCS and CPT;
3. Establish an initial allowable among for a new procedure based on information that was not available when the fee schedule was established for the current year; and
4. Adjust the allowable amount when the Medical Services Division determines that the current allowable amount is -
   a. Not appropriate for the service provided; or
   b. Based on errors in data or calculation.

The Department may issue revisions of the Nebraska Medicaid Practitioner Fee Schedule during the year that it is effective. Providers will be notified of the revisions and their effective dates.

Substitute per letter dated 2/21/96

ATTACHMENT 4.19-B
Item 13d

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

COMMUNITY-BASED COMPREHENSIVE PSYCHIATRIC REHABILITATION AND SUPPORT SERVICES PROGRAM

The Department pays separate rates for each community-based psychiatric rehabilitation and support service.

For Community Support, the unit of service is a client month.
For Day Rehabilitation, the unit of service is a day of participation (five or more hours).
Note: Providers may bill for 1/2 unit of service when at least 3 hours of service but less than five hours are provided.
For Psychiatric Residential Rehabilitation, the unit of service is a day in residence (room and board is not included in the rate).

Rates are reviewed annually based on audits and actual cost information submitted by each provider. The review is used as the basis for establishing a statewide fee schedule for each of the three services. Rates will not exceed the average statewide actual cost of providing rehabilitation services.

Transmittal # MS-95- 9

Supersedes Approved FEB 26 1996 Effective APR 01 96

Transmittal # (New Page)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

SERVICES FOR INDIVIDUALS AGE 65 OR OLDER IN INSTITUTIONS FOR TUBERCULOSIS

Not provided

State Plan
Trans. No. MS-80-16

Submitted 12-29-80
Approved 8-18-81
Effective 11-01-80

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

SERVICES FOR INDIVIDUALS AGE 65 OR OLDER IN INSTITUTIONS FOR MENTAL DISEASES

1. Inpatient Hospital Services

   See Attachment 4.19-A

2. Skilled Nursing Facility Services

   See Attachment 4.19-D

3. Intermediate Care Facility Services

   See Attachment 4.19-D

State Plan
Trans. No. MS 83-21
Supersedes MS 83-5
~~Submitted~~ Effective 10-1-83
Approved 3-2-84